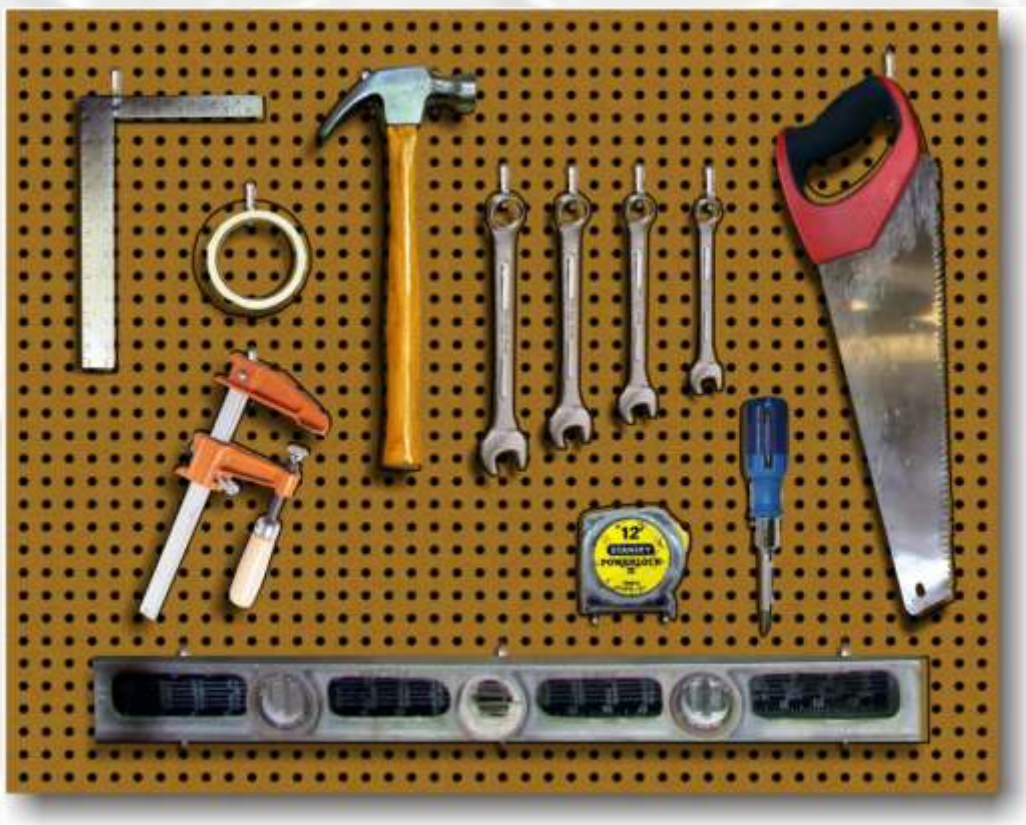


# **PRIORITY SETTING SESSION**

**March 10, 2010**



# City of Arlington Performance Plan



## VISION

## MISSION

## VALUES

Arlington is committed to being a pre-eminent city, providing an exemplary environment in which to live, learn, work and play.

## VISION

## MISSION

## VALUES

The City of Arlington enacts the will of the people through their active, inclusive participation and provides the services they demand in a quality, cost effective manner.



## VISION

## MISSION

## VALUES

**Working Together To Make Arlington Better**  
**Responsiveness and Respectful** to our customers  
and co-workers

**Innovative** in identifying possibilities, exploring options,  
and creating solutions

**Committed** to excellence

Relating to our customers and each other with **Integrity**

- The City provides outstanding customer service
- Staff exceeds expectations in delivering core service and daily operations
- Uphold the highest professional and ethical standards
- City values diversity, creates positive relationships and maintains effective partnerships with the community and organizations
- City achieves results through planned actions and measurable performance

# Table of Contents

## Priority Setting Session

<b>Introduction .....</b>	<b>4</b>
<b>Economic Forecast .....</b>	<b>6</b>
<b>1<sup>st</sup> Quarter BAR .....</b>	<b>12</b>
• <b>Revenue Estimate for FY 2010.....</b>	<b>13</b>
• <b>Expenditure Estimate for FY 2010 .....</b>	<b>16</b>
• <b>Other Funds .....</b>	<b>18</b>
<b>City Vacancies .....</b>	<b>22</b>
<b>Long Range Forecast.....</b>	<b>26</b>
<b>Discussion of History of Current Structural Imbalance.....</b>	<b>29</b>
<b>Citizen Satisfaction Survey Results .....</b>	<b>32</b>
<b>Community Priority Discussion .....</b>	<b>37</b>

## References

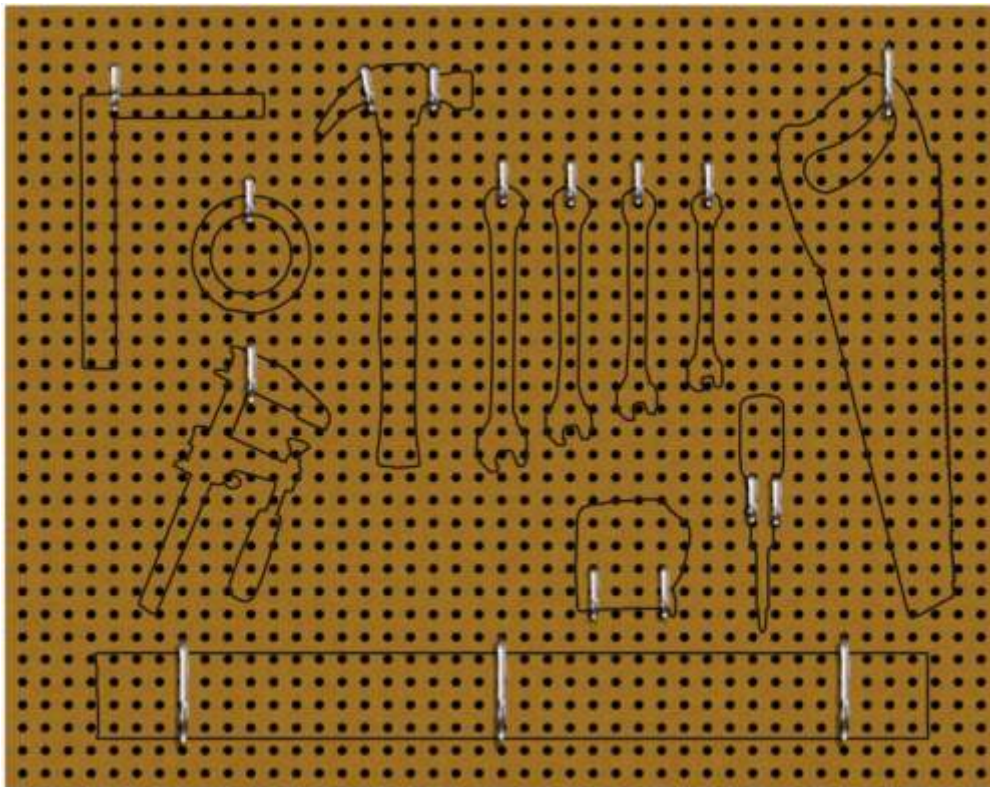
**Appendix 1 – Economic Forecast**

**Appendix 2 – BAR and Business Plan**

**Appendix 3 – FY 2010 Citizen Satisfaction Survey**



# Introduction



# Introduction

Arlington is at a pivotal time in its history. As growth and service demands increase, the economy remains fragile and its impact on our citizens and businesses is significant. In this environment, you are being asked today to identify the community's priorities and designate the key areas in which to channel the City's important, finite resources.

To assist with this effort, materials and content have been developed to act as "tools" in your decision making. Whether it is a review of the economy, the City's budget, or citizen input, this book provides tools to help you determine the direction our community needs to go during the 2011 fiscal year.

Following our session today, staff will take the priorities that you have identified and begin the formulation of next year's budget. Programs and activities will be added to next year's budget based on their ability to accomplish the priorities that you identify. Should budget reductions be required, staff will work to ensure that they do not negatively impact the critical initiatives you discuss today.

To accommodate these priorities in the budget, we understand resources will need to be reallocated. With this in mind, staff has already begun research and investigation into key areas/opportunities both in the organization and in the community to maximize efficiency and use of resources.

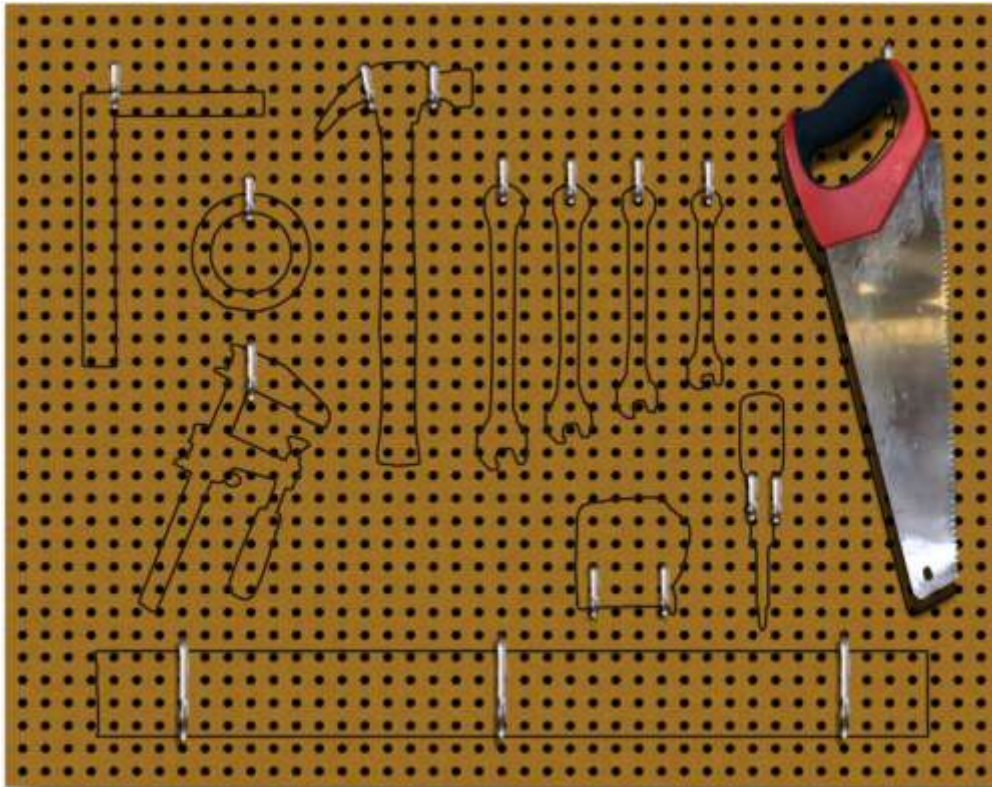
The results of drilling down in these key areas will be reported to the City Council beginning in May as we prepare decision packets for the Council to consider when reviewing our proposed budget in August. These budget balancing strategies are focused on recurring revenues and savings that we believe will allow us to correct our structural imbalance in future years. We want to ensure that we come out of this difficult economic time stronger and better able to meet the many needs of our community.

Today, we intend to discuss:

- Our current economic forecast for Arlington and the region
- Our current budget position (FY 2010) both revenues and expenditures
- The progress on the budget balancing strategies employed for FY 2010 (vacancy savings, etc.)
- Our five-year forecast and the impact of our current budget structural deficit
- This year's citizen survey and the feedback we heard from residents

Finally, using the following information, we will focus on defining/outlining our community priorities. We look forward to the first step the Mayor and Council will take in the development of our FY 2011 Budget.

# Economic Forecast

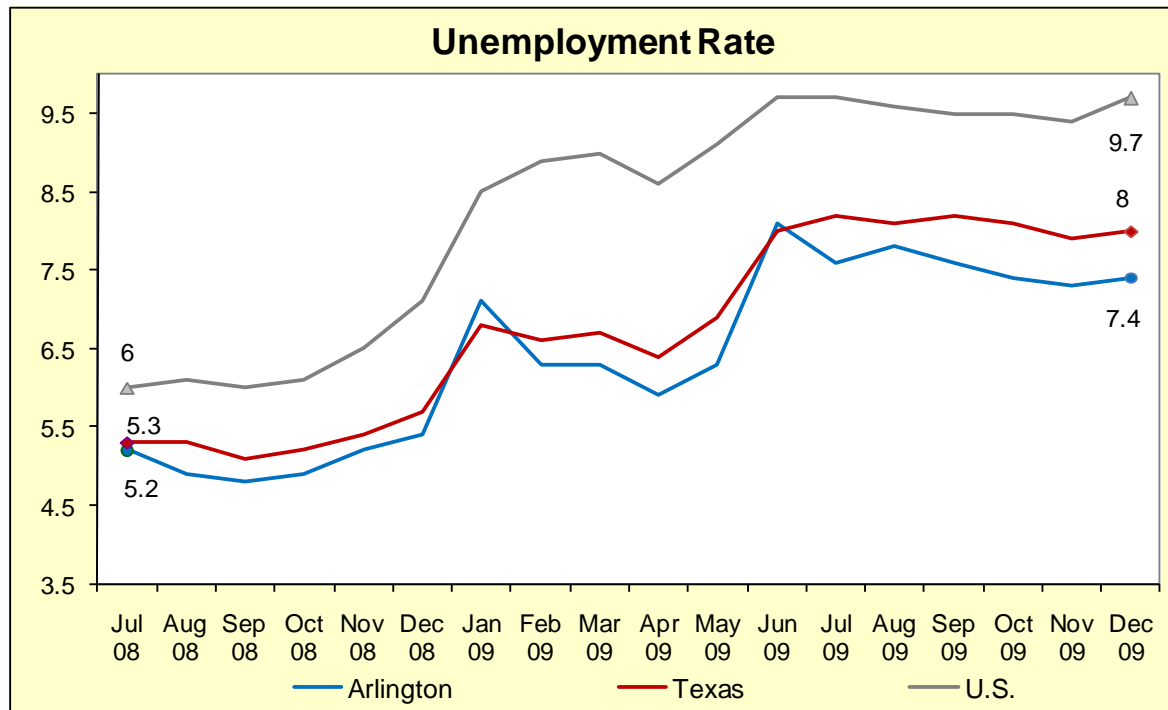


# Economic Forecast

As we enter the FY 2011 budget development cycle, we look to local and national economic indicators to provide some measure of the overall financial health of our community. As anticipated, the effect of the economic downturn was not as harmful to Texas as it has been to other states. Likewise, as a city, Arlington has not seen the same level of economic difficulty as other cities throughout the nation. This is not to say that there has been no impact. Indeed, no one feels the fall out of the economic crisis more sharply than our citizens, as families struggle to make ends meet. In an effort to make the soundest decisions possible when determining the priorities of the City, monitoring key indicators continues to be a priority, looking for any signs of weakness that may foreshadow future challenges or evidence that the economy is on the rebound.

One of the most important and often referred to indicators in our economy is the unemployment rate. The national unemployment rate made headlines over the last year as it climbed past 10 percent in October 2009 (seasonally adjusted). Preliminary data for January 2010 indicate that the rate has slightly dropped to 9.7 percent (seasonally adjusted).

The chart below compares the unemployment rates for Arlington, Texas, and the U.S. All three have followed a similar pattern of ups and downs over the last 18 months. In Arlington, the unemployment rate hit a high of 8.1 percent in June 2009, surpassing the State rate. Preliminary numbers for December show the rate at 7.4 percent, a modest improvement over June's rate.

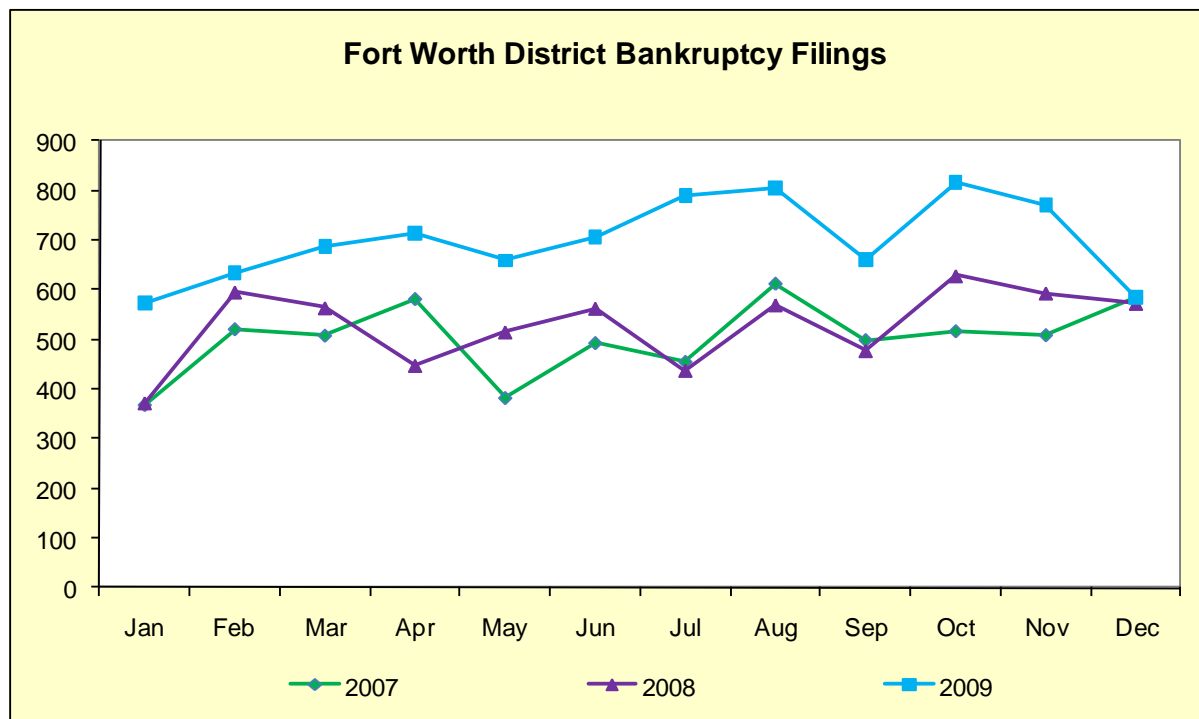




# Economic Forecast

Two other measures that hit close to home are the number of bankruptcy filings and the number of foreclosures. Both of these measures indicate how many families are responding to their own economic crises; families who have come to the realization that they can no longer keep up with their expenses and must either file bankruptcy or give up their homes through foreclosure.

In 2009, filings for bankruptcy in the entire Fort Worth Division, which includes Arlington, were higher every month compared to the same months in the last two previous years. The total number of bankruptcy filings for the Fort Worth District for 2009 were 8,404, compared with 6,336 for 2008 and 6,033 for 2007. Historically, January is one of the lower months of the year for filings, but in 2010 there have already been 716 bankruptcy cases filed, a dramatic increase over the last three years, which saw 573 cases filed in January 2009, 371 in January 2008, and 368 in January 2007. As companies falter from lack of consumer spending and people remain unemployed for longer periods of time, their ability to maintain their financial status deteriorates, resulting in higher levels of bankruptcies.

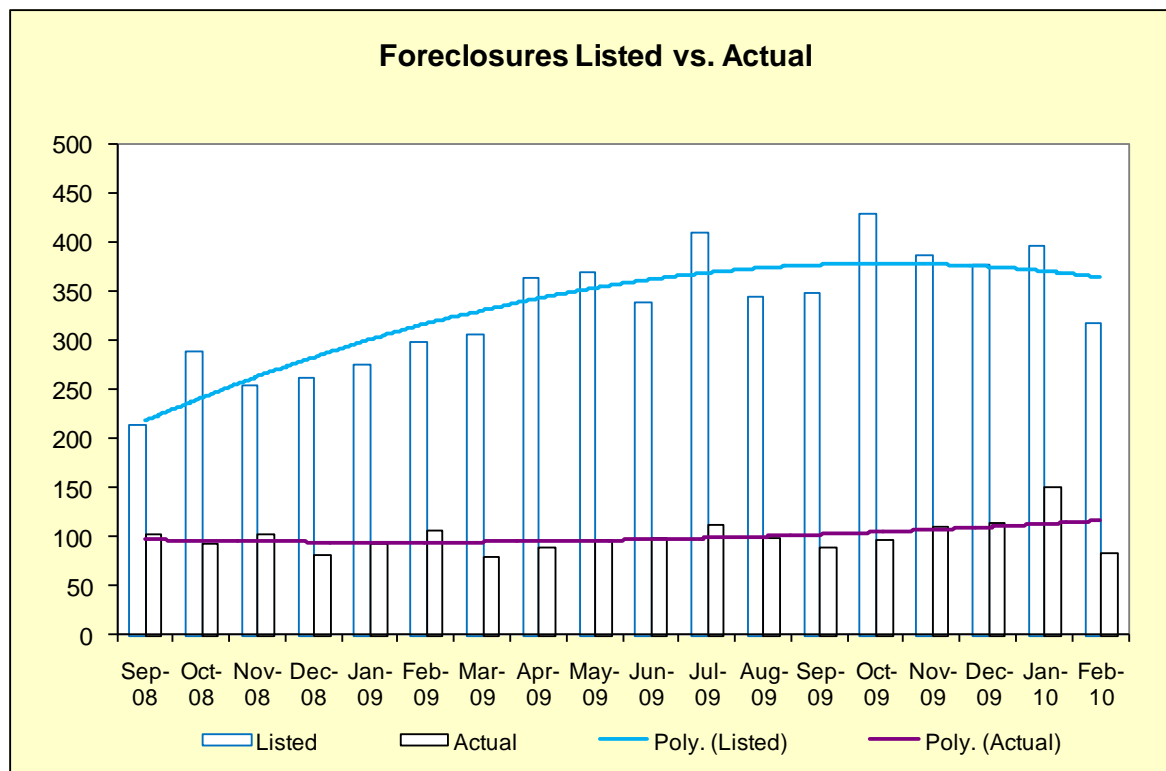




# Economic Forecast

Filings for foreclosure by Arlington residents have seen a similar increase over the last year. However, the percentage of actual foreclosures has decreased over the last two years, indicating perhaps more flexibility from banks on working out arrangements with families at risk of losing their homes, or the success of alternatives to foreclosure, such as short sales or refinancing.

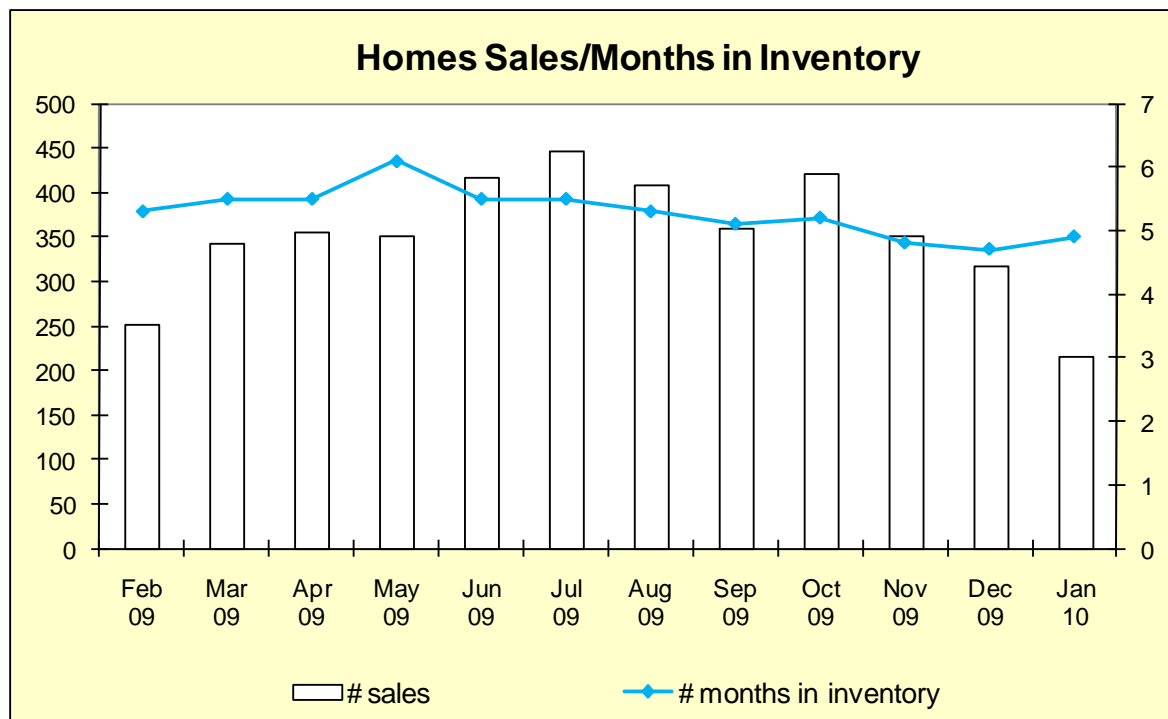
In 2009, approximately 30%, or 1,187 of the 4,248 foreclosures listings, resulted in actual foreclosures. This is a significant improvement over 2008 and 2007, which saw approximately 38% (1,285 of the 3,350 listings) and 43% (1,355 of the 3,121 listings), respectively, end in actual foreclosure.



While the number of actual foreclosures each month has remained fairly consistent, and the percentage of actual foreclosures has declined, this does little to alleviate the problems that result as foreclosed properties continue to pop up across our community. The impact of this situation could well be felt for years to come as lower resale values on foreclosed homes could potentially affect the amount of property tax collected as well, creating revenue shortages in the future.

# Economic Forecast

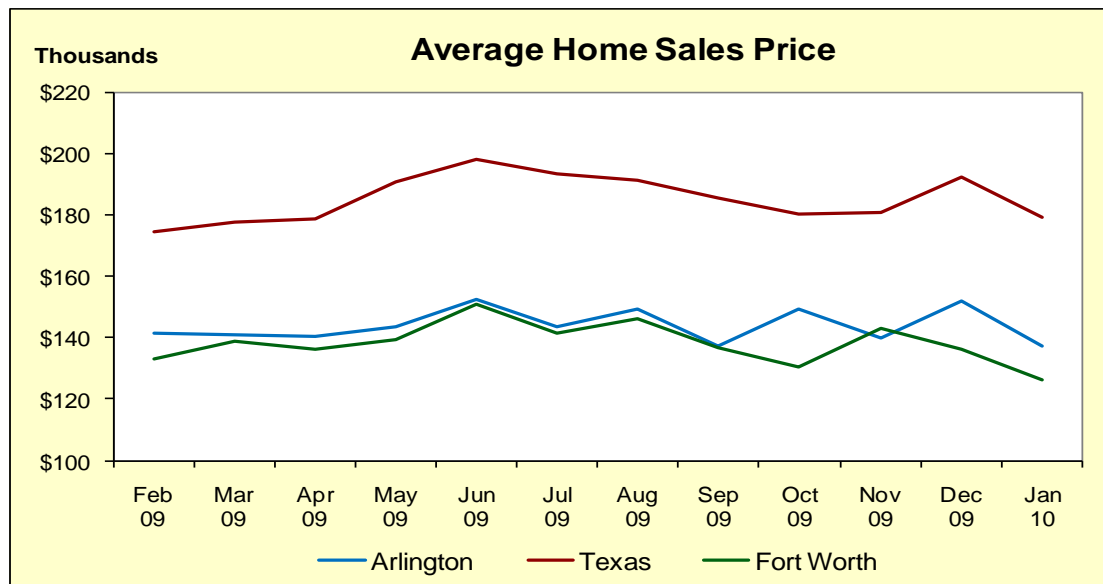
The housing market is particularly sensitive to the ups and downs of the economy. When the economy is perceived to be unstable, people are less likely to make changes such as upgrading to a more expensive residence or making the move from renting to buying. As a result, houses sit on the market for longer periods of time and market values decrease. As shown in the chart below, the number of months that a house sits on the market in Arlington has remained fairly level over the last 12 months at an average of 5.3 months. This is better than both the state average of 7 months and the national average of 6.5 months for the same period.



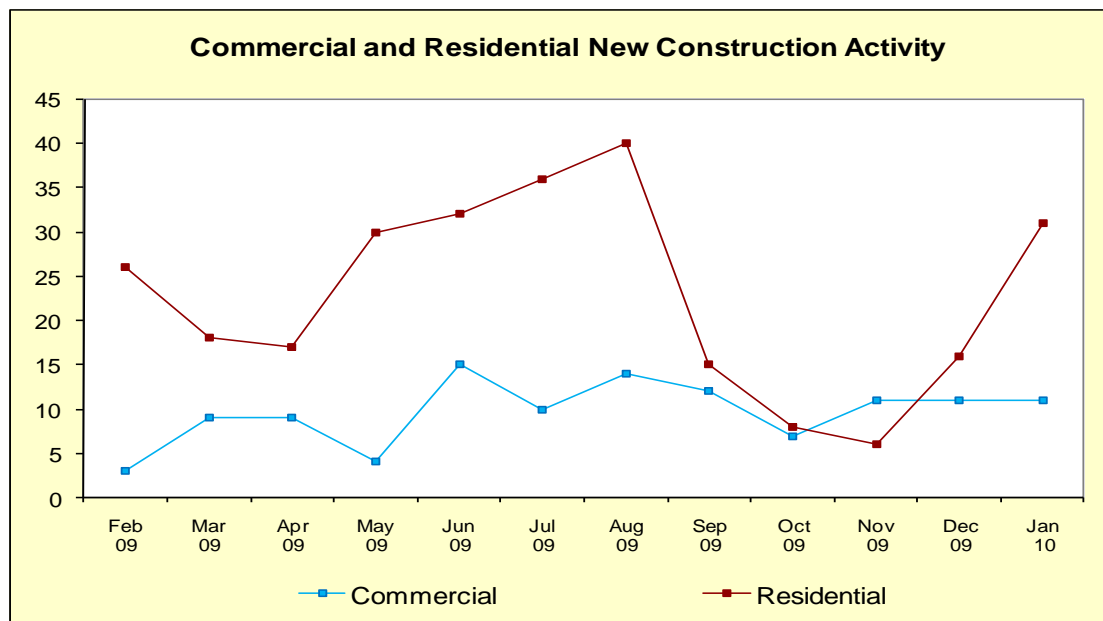
The chart on the following page shows a comparison of the average sales price of a home for Arlington, Fort Worth, and Texas. With the exception of the month of November, Arlington's sales prices have remained just above those in Fort Worth.

# Economic Forecast

In January, the average sales price for Arlington was \$137,400, compared with \$126,400 in Fort Worth, and \$179,000 for the state as a whole.



One last economic indicator that is of particular significance to our local economy is the level of new construction activity in the area. The chart below shows the new commercial and residential activity for the City of Arlington over the last 12 months. Driven by demand, construction activity reflects the level of growth or redevelopment in an area, which correlates to the economic potential of the community.



# 1<sup>ST</sup> Quarter BAR





# Revenue Estimate for FY 2010

The Budget Analysis Report (BAR) is the first look at where we stand through the first quarter of FY 2010. It includes projections of year-end revenues and expenditures based on first quarter performance (October 1 through December 31, 2009) of the City's operating funds for Fiscal Year 2010. The following discussions highlight significant revenue and expenditure issues in the General Fund, Water & Sewer Fund, Special Revenue Funds (Convention & Event Services, Park Performance, and Street Maintenance), Internal Service Funds (General, Information Technology and Fleet Services), and the Debt Service Fund.

## The General Fund

The operating position of the General Fund projects an ending balance of \$157,431. Revenues are projected to be \$506,887 under budget, net transfers are projected to be at budget, and expenditures are projected to be under budget by \$641,304. A discussion of General Fund revenues, transfers and expenditures is included below.

### General Fund Revenues

General Fund revenues are projected to be \$506,887 under budget. Franchise Fees, Service Charges, and Fines and Forfeitures are projecting better than budget, but Taxes, Licenses and Permits, Leases and Rent revenues, and Miscellaneous revenues are projected to be under budget.

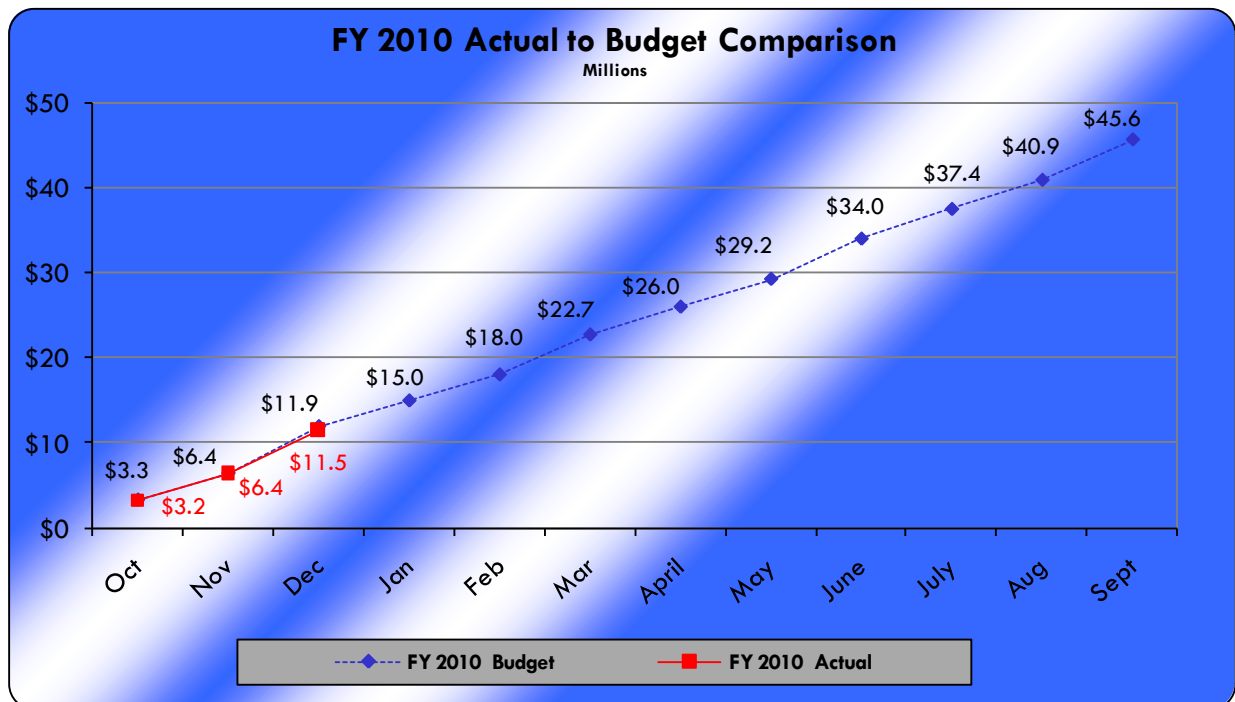
#### FY 2010 General Fund Revenues

	<u>Budget</u>	<u>Estimate</u>	<u>Variance</u>
Taxes	\$ 126,502,625	\$ 125,714,658	\$ (787,967)
Franchise Fees	34,321,373	34,718,612	397,239
Service Charges	10,738,529	10,964,577	226,048
Fines and Forfeitures	12,923,238	13,208,238	285,000
Licenses & Permits	4,363,438	4,172,548	(190,890)
Leases & Rents	5,156,002	5,043,034	(112,968)
Other Revenues	3,020,456	2,697,108	(323,348)
	<u>\$ 197,025,662</u>	<u>\$ 196,518,775</u>	<u>\$ (506,887)</u>

# Revenue Estimate for FY 2010

## Taxes

Ad valorem taxes, including delinquent taxes as well as penalty and interest, are projected to be \$300,000 above budget. This is primarily due to increase collection interest. Sales tax revenue is projected to be \$44,310,257, or 2.85% under budget (\$1,300,000). This puts sales tax within \$50,000 of the FY 2009 actual. The City of Arlington has fared well compared to other cities in Texas on sales tax collection. Our overall trend for sales tax receipts is declining, but is buoyed significantly by the contributions our Entertainment District provides.



## Franchise Fees

Total franchise fee revenues are projected to be \$397,239 over budget. Electric utility and gas utility fees are estimated at \$700,000 under budget (\$450,000 and \$250,000 respectively). This shortfall may be driven by both an increasing focus on energy efficiency, and decreased usage due to fiscal pressures. These fees are received quarterly, approximately 45 days after the end of the quarter. Therefore this estimate is based on one quarter, and may increase. Landfill royalties are projecting over budget by \$463,926 due to the increase in revenues associated with waste brought to the Landfill from outside the city. This activity is largely attributable to area landfills that have closed or will soon close, having reached their maximum capacity. Telephone franchise fees are estimated to end the year \$500,000 over budget. We have budgeted this fee to decrease each year, primarily due to the substitution of cell phones for land lines. This trend appears to have stabilized. Cable franchise fees have increased due to additional providers entering the market.

# Revenue Estimate for FY 2010

## **Service Charges**

Revenues in this category are projected to be over budget by approximately \$226,000. This is driven by drilling/well inspection fees performing significantly better than expected. Service charges such as mowing and nuisance abatements, while billed, are starting to see decreases in collections.

## **Fines and Forfeitures**

Revenues from fines and forfeitures are projected to be over budget by over \$285,000, largely due to better than anticipated red light camera revenue.

## **Licenses and Permits**

Revenues in this category are projected to be under budget by \$190,890. The animal licensing initiative has not been implemented as quickly as assumed in the FY 2010 Budget.

## **Leases and Rents**

Lease and rent revenue is projected to be under budget by \$112,968. Airport revenue is tracking downward by approximately \$50,000 as the economy effects general aviation.

## **Miscellaneous Revenues**

This category is composed primarily of interest earnings and revenue from the Rangers' settlement agreement. This revenue category is projecting under budget by \$323,348 primarily due to the prolonged decrease in interest earnings commensurate with declines in Treasury interest rates.

# Expenditure Estimates





# Expenditure Estimates

## General Fund Expenditures

General Fund first quarter expenditures are projected to be under budget by \$641,304. This is primarily attributable to vacancy savings above those in the adopted budget. The chart below shows projected FY 2010 General Fund expenditures by department. Parenthesis designates budget overages.

General Fund	FY 2010 Budget	Estimate	Variance
Aviation	\$ 750,214	\$ 750,188	\$ 26
City Attorney's Office	3,705,142	3,705,142	-
City Manager's Office	964,384	964,230	154
Community Dev. and Planning	6,030,766	5,980,525	50,240
Community Services	6,426,307	6,416,468	9,839
Economic Development	331,768	299,314	32,454
Fire	38,535,711	38,527,572	8,139
Information Technology	4,305,190	4,253,945	51,245
Internal Audit	491,472	490,305	1,167
Judges	811,089	817,884	(6,795)
Library	6,879,260	6,852,717	26,544
Financial & Management Resources	12,962,087	12,872,288	89,799
Municipal Court	3,054,676	2,958,721	95,954
Office of Mayor and Council	62,614	56,124	6,490
Parks and Recreation	13,906,861	13,904,394	2,467
Police	80,122,826	79,906,386	216,441
Public Works and Transportation	12,384,399	12,332,217	52,182
Workforce Services	2,896,804	2,891,846	4,958
<b>Total</b>	<b>\$ 194,621,570</b>	<b>\$ 193,980,266</b>	<b>\$ 641,304</b>

# Other Funds



## Enterprise Fund

### *Water & Sewer Fund*

The Water & Sewer Fund is projecting a positive ending balance of \$266,968. Revenues are projected to be under budget by approximately \$5,220,672 due to lower than anticipated water sales. Interfund transfers are currently projected to be under budget, primarily due to lowering the contribution to the Capital Projects Fund. Expenditures are projected to be under budget by \$3,786,324, attributable to vacancy savings and lower water purchases.

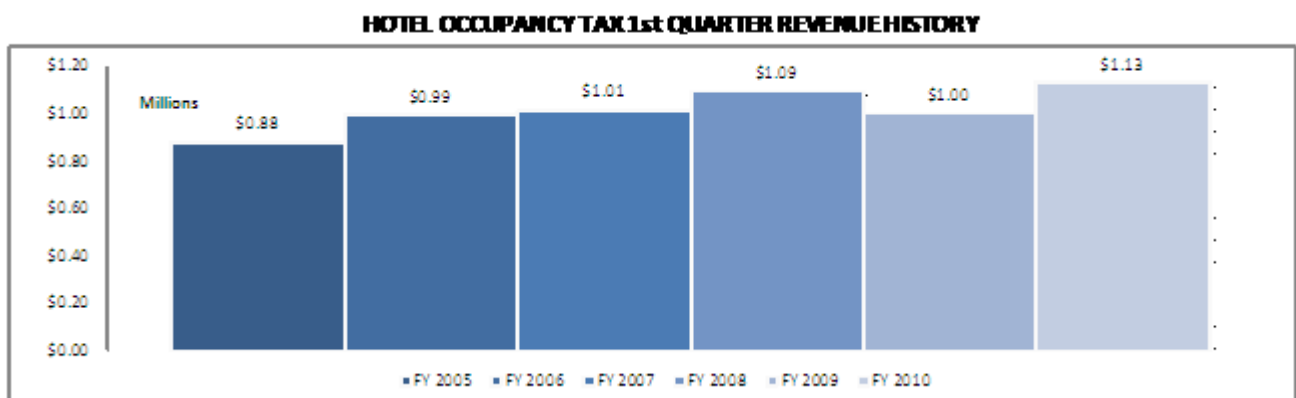
### *Storm Water Utility Fund*

Storm Water Utility Fund revenues consist of the residential and commercial storm water utility fees. Revenues in this fund are projected under budget by \$62,380. Expenditures in the fund are below budget by \$52,216 due to vacant positions in the fund.

## Special Revenue Funds

### *Convention & Event Services Fund*

The Convention & Event Services Fund (CES) includes the operation of the City's Convention Center and provides funding for the Arlington Convention and Visitors Bureau and the Fielder Museum. The fund's revenues are projected at \$7,315,450, under budget by \$247,050. Occupancy Tax, the fund's largest revenue, is expected to be under budget by \$37,550. The chart below shows first quarter Occupancy Tax performance over the last several years. Year end expenditures savings of \$131,191 has been estimated for the Convention Center.



### *Park Performance Fund*

The Park Performance Fund includes Golf Operations, Recreation Centers, Pools, and Field Maintenance. The fund is projecting an ending balance of \$319,559. Total revenues for the fund

## Other Funds

are projected to be under budget by \$189,863. Expenditures in the fund are projected to be under budget by \$384,227.

### ***Street Maintenance Fund***

The Street Maintenance Fund beginning balance is approximately \$3.4 million higher than anticipated due to expenditure savings in FY 2009 which roll forward to FY 2010. Street Maintenance Fund revenues are projected to be under budget by approximately \$381,000. This is due to the below-budget performance of sales tax, of which the fund receives  $\frac{1}{4}$  cent. Expenditures are estimated be over budget by \$1,968,650. Later this year, we will be amending this budget.



## Internal Service Funds

The City's internal service funds include Knowledge Services, Communications Services, Information Technology, and Fleet Services. The operating expenditures of these funds are supported by transfers or direct charges from other funds.

The **Knowledge Services Fund** is projecting revenues under budget (\$764,915) and expenditures under budget by \$455,092. The fund is experiencing a loss of revenues due to lower utilization by departments.

The **Information Technology Fund** is projecting a positive ending balance of \$109,453. Revenues in the fund are projected to be at budget. Expenditures are projected to be under budget by \$15,419.

The **Fleet Services Fund** is projecting a balance of \$1,251,949. Revenues are projected slightly over budget \$41,207 and expenditures are anticipated to be under budget by \$56,865. The ending balance is a result of savings in the prior year carrying forward into the current year.

The **Communication Services Fund** is projecting a positive ending balance of \$153,599. Revenues are projected over budget by \$15,000. Expenditures are anticipated to be under budget by \$1,488.

## Debt Service Fund

The **Debt Service Fund** is projecting a balance of approximately \$5,932,419, which is above the level required by the City's financial principles. Revenues in this fund are projected to be under budget by \$58,830 due to lower interest, and expenditures projected under budget by \$13,795.

## Reserve Balances

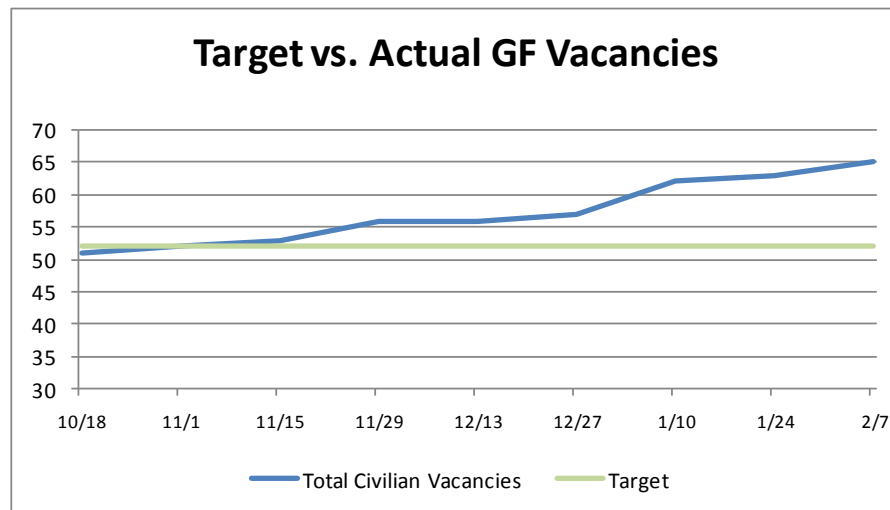
The Unallocated Reserve, Reserve for Working Capital, and Landfill Lease Reserve are all at adequate levels adhering to the City's financial principles. Year end projections for the Reserves are: Unallocated Reserve is projecting a balance of \$5.94 million; Reserve for Working Capital is projecting to be at \$16.51 million; and the Landfill Lease Reserve is projecting a balance of \$21.49 million. If necessary, Council has authorized a transfer of \$1,500,000 from the unallocated reserve to balance the FY 2010 Budget.

# City Vacancies

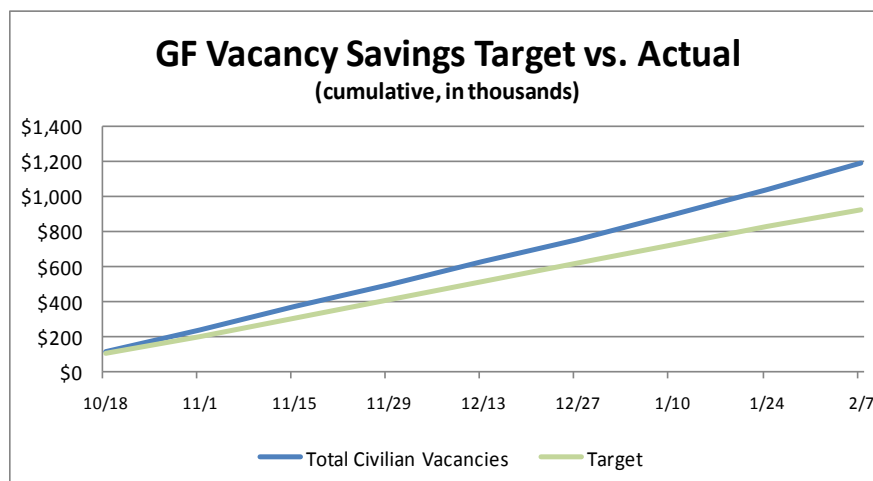


# City Vacancies

During the FY 2010 budget process, one of the expenditure savings identified was salaries and benefits associated with vacant positions. A department's base salary and benefit budget is based on a "snapshot" taken at the beginning of the budget process, which captures *current* employee salary and benefits. Positions that are vacant at that time are budgeted with certain basic assumptions (entry level salary, employee-only health insurance, etc.). During the year, actual employee turnover occurs due to retirements, other job opportunities, or resignations which results in savings from the base budget. These savings are called the "turnover factor." The FY 2010 Proposed Budget included a turnover factor of approximately \$1,850,000, or the equivalent of 36 positions. In order to maintain salaries and benefits at current levels, an additional \$837,000 was added to the turnover factor, requiring the City to hold an average of 52 positions vacant. The following table demonstrates our actual vacancies vs. budget to date, on a pay period basis.



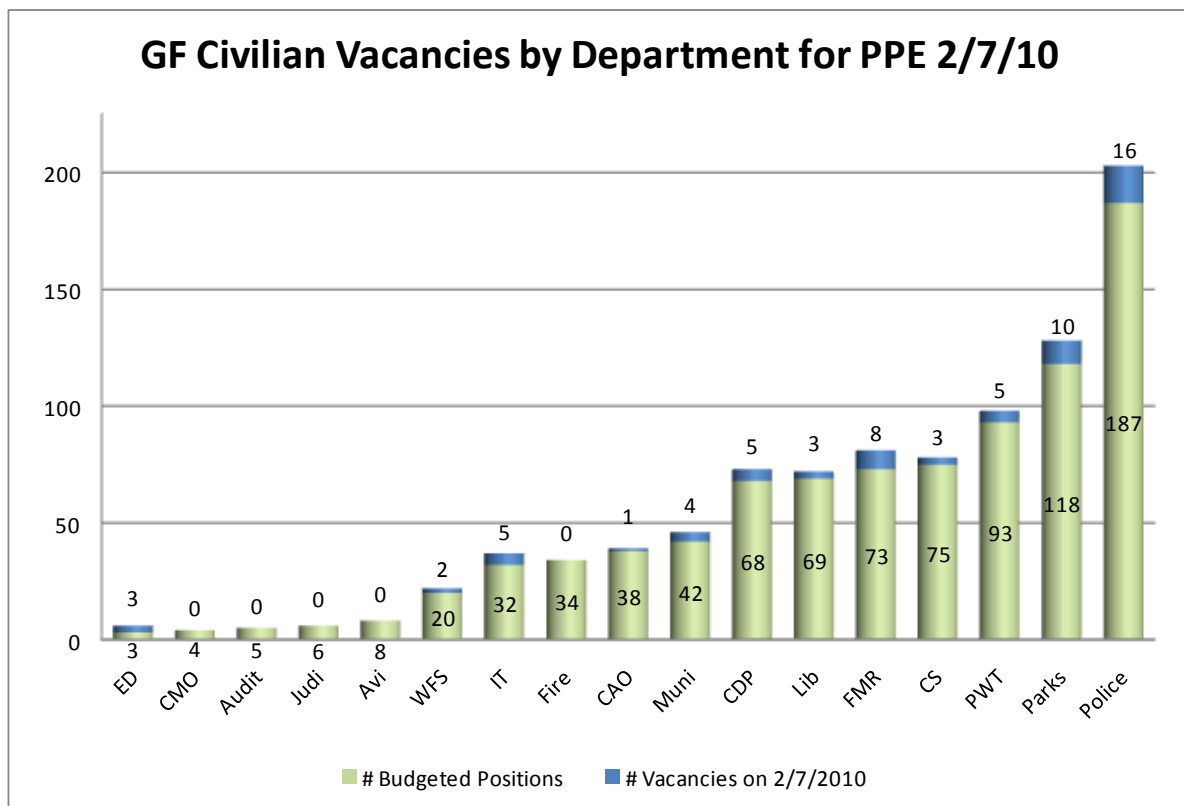
Even more important than the number of positions held vacant is the actual dollar amount saved. As you can see from the chart below, we have saved approximately \$300,000 year to date over our original target.



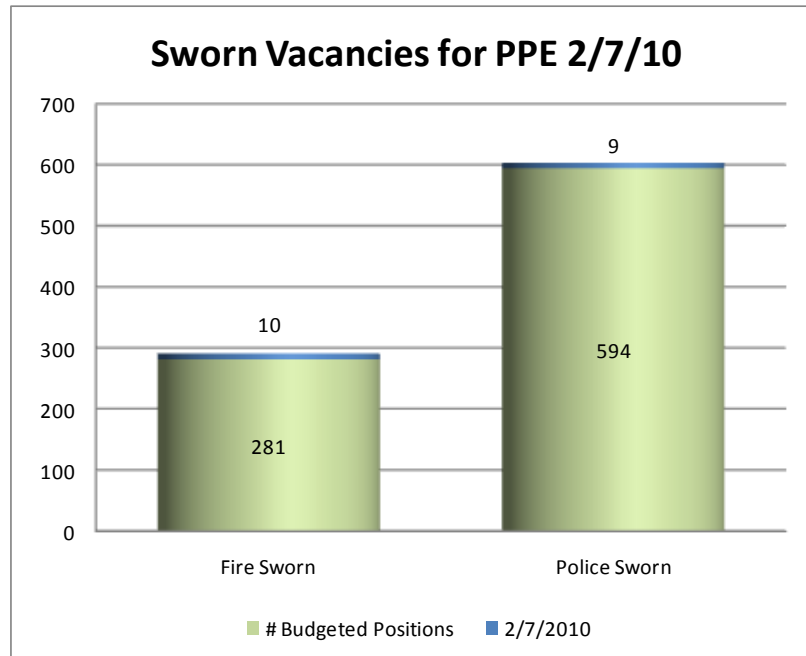
# City Vacancies

As both charts on the previous page show, we are currently exceeding our target not only in the number of vacant positions open, but also in the amount of salary savings generated.

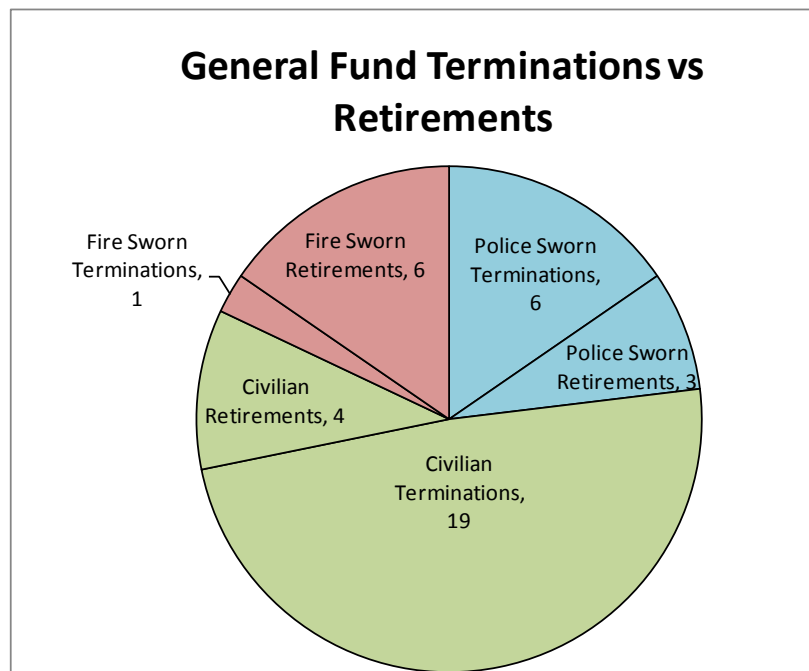
As of the last pay period the chart below shows the existence of vacant positions by department. Vacant positions are currently spread through almost all of the departments with Police and Parks currently having the highest number of vacant positions. Sworn positions are not included in the chart below but are shown on the next page.



# City Vacancies



Since the adoption of the FY 2010 budget, the 39 employees have terminated or retired from the City. A majority of those employees were in civilian positions.



In summation, the City is meeting and even exceeding the required vacancy savings needed to balance the FY 2010 budget.



# Long Range Forecast



# Long Range Forecast

## INTRODUCTION

This multi-year financial forecast estimates General Fund expenditures and revenues from the FY2011 Budget through FY2015. The current authorized FY2010 Budget is utilized as the base year from which estimates of future years are made.





It should be noted that a multi-year financial forecast is not intended to be a predictor of what is certain to happen, but rather an overview that highlights significant issues that should be addressed if stated goals, such as a balanced budget, are to be achieved. Projected revenues and expenditures are estimates and subject to variations that are inherent in all such projections.

It should also be noted that in a multi-year financial forecast a projected deficit in one year is simply carried forward to succeeding years. However, during each year's budget development, any structural imbalance between revenues and expenditures will be addressed and no actual deficit will carry forward to future years.

## MAJOR ASSUMPTIONS

- Assessed valuation (AV) growth is projected to be flat in FY11 (from the FY10 estimate) with 2% growth beginning in FY12 and carried forward.
- Sales tax revenues are estimated to increase 2% in FY11 (from the FY10 estimate) and 4% thereafter, recognizing a gradual increase in economic activity in future years.
- No compensation increases for employees are included in FY11. A 3% compensation package is included in FY12 - FY15.
- A 1% increase in supply costs is included in each year of the forecast.
- The forecast includes an additional \$1 million annually to fully fund TMRS.
- An assumption that health insurance costs will increase by 3% annually is included.
- There are no increases in staffing included in the forecast however the forecast does include out-year funding for grant police officers as the COPS grants expire.
- The forecast includes funding to staff the Viridian development fire station.
- The forecast does not include funding for Fire apparatus. This purchase was shifted to one-time funding in the FY 2010 budget process.

# Long Range Forecast

	FY10 Adopted	FY10 Estimate - 1st Quarter BAR	FY11 Projected	FY12 Projected	FY13 Projected	FY14 Projected	FY15 Projected
GENERAL FUND REVENUES	\$ 197,025,661	\$ 196,518,775	\$ 197,468,497	\$ 202,024,447	\$ 206,616,956	\$ 211,319,108	\$ 216,166,132
INTERFUND TRANSFERS:							
Water and Sewer Fund	\$ 3,391,966	\$ 3,391,966	\$ 3,391,966	\$ 3,391,966	\$ 3,391,966	\$ 3,391,966	\$ 3,391,966
Conv. & Event Svcs. Fund	-	-	350,000	350,000	350,000	350,000	350,000
Stormwater Fund	437,557	437,557	\$ 437,557	\$ 437,557	\$ 437,557	\$ 437,557	\$ 437,557
One-time Funds	3,552,814	3,552,814	(1,500,000)				
TIRZ Reimbursements	88,891	88,891	88,891	88,891	88,891	88,891	88,891
APFA Fund	(845,000)	(845,000)	(845,000)	(845,000)	(845,000)	(845,000)	(845,000)
Special Transportation Fund	(1,044,557)	(1,044,557)	(1,044,557)	(1,044,557)	(1,044,557)	(1,044,557)	(1,044,557)
To Parks Performance Fund	(2,232,851)	(2,232,851)	(2,232,851) 	(2,255,180) 	(2,277,731) 	(2,300,509) 	(2,323,514)
To Street Maintenance Fund	(2,301,527)	(2,301,527)	(2,301,527)	(2,301,527)	(2,301,527)	(2,301,527)	(2,301,527)
To Traffic	(3,428,372)	(3,428,372)	(3,428,372)	(3,462,656)	(3,497,282)	(3,532,255)	(3,567,578)
INTERFUND TRANSFERS	\$ (2,381,079)	\$ (2,381,079)	(7,083,893)	(5,640,505)	(5,697,684)	(5,755,434)	(5,813,761)
TOTAL AVAILABLE FUNDS	\$ 194,644,582	\$ 194,137,696	\$ 190,384,604	\$ 196,383,942	\$ 200,919,273	\$ 205,563,674	\$ 210,352,370
GENERAL FUND EXPENDITURES	\$ 194,621,570	\$ 193,980,265	\$ 196,116,239	\$ 202,385,761	\$ 208,815,477	\$ 214,657,052	\$ 219,354,894
ENDING BALANCE	\$ 23,012	\$ 157,431	\$ (5,731,635)	\$ (6,001,819)	\$ (7,896,204)	\$ (9,093,378)	\$ (9,002,524)

# Discussion of History of Current Structural Imbalance





# Discussion of History of Current Structural Imbalance

## Structural Imbalance Issues: Challenges for Preparing the FY 2011 Budget

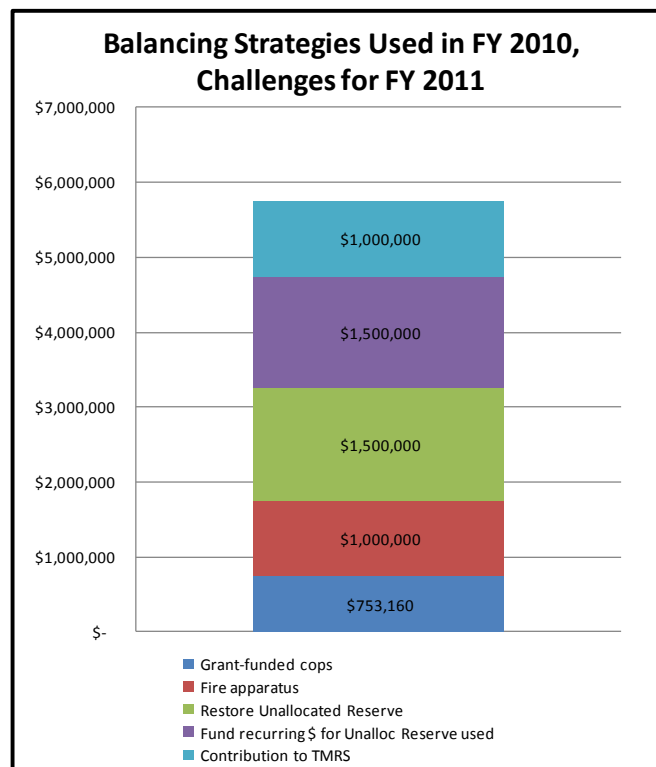
While the FY 2010 Budget was being developed, the declining national economy was forcing cities across the country to make difficult budgetary choices. In particular, continuing high unemployment and weakened credit markets put significant downward pressure on consumer spending. Although Arlington has faced these challenges more successfully than many other cities, sales tax revenues in FY 2009 were below the level received in FY 2008, and are 1.5 percent below FY 2009 levels for the first three months of FY 2010. Revenue challenges in general prompted considerable caution in preparing the FY 2010 Budget. In order to close significant gaps created by the overall lack of revenue growth, a number of strategies were implemented to bring the current fiscal budget into balance. However, these strategies have resulted in new challenges for the City as we begin preparing the budget for FY 2011, each of which is discussed below.

### COPS Grant funding

The City received grant funding to support the cost of police officers in FY 2010. This three-year funding stream results in the City receiving \$1.7M in FY 2010, \$2.1M in FY 2011, and \$2.3M in FY 2012. However, in FY 2013, the City must fully absorb these costs. The accompanying graph reflects one third of the \$2.3M in costs that will be absorbed three years from now (\$753,000 in each year from 2011-2013), so that when FY 2013 arrives, an adequate funding amount will have been identified to fully cover these expenditures.

### Fire Apparatus

The City is using one-time funding for the purchase of replacement fire apparatus in FY 2010. Historically, these costs have been paid with recurring revenues, and recurring funding will need to be identified in FY 2011 if the City wishes to return to this mechanism for funding fire apparatus replacements.





# Discussion of History of Current Structural Imbalance

## **TMRS COLA and USC**

The City will be required to contribute an additional \$1M to TMRS annually over the next several years in order to adequately fund scheduled cost-of-living adjustments and the effects of updated service credit.

## **Unallocated Reserve**

The final two pieces of the chart on the previous page relate to our use of the Unallocated Reserve in FY 2010. This reserve was used to balance in stressful fiscal circumstances, and should be replenished to its intended level of three percent of General Fund expenditures. In addition to replenishing the reserve, \$1.5M in recurring revenues will need to be identified in FY 2011 to cover the costs that were paid by the reserve in the current fiscal year.

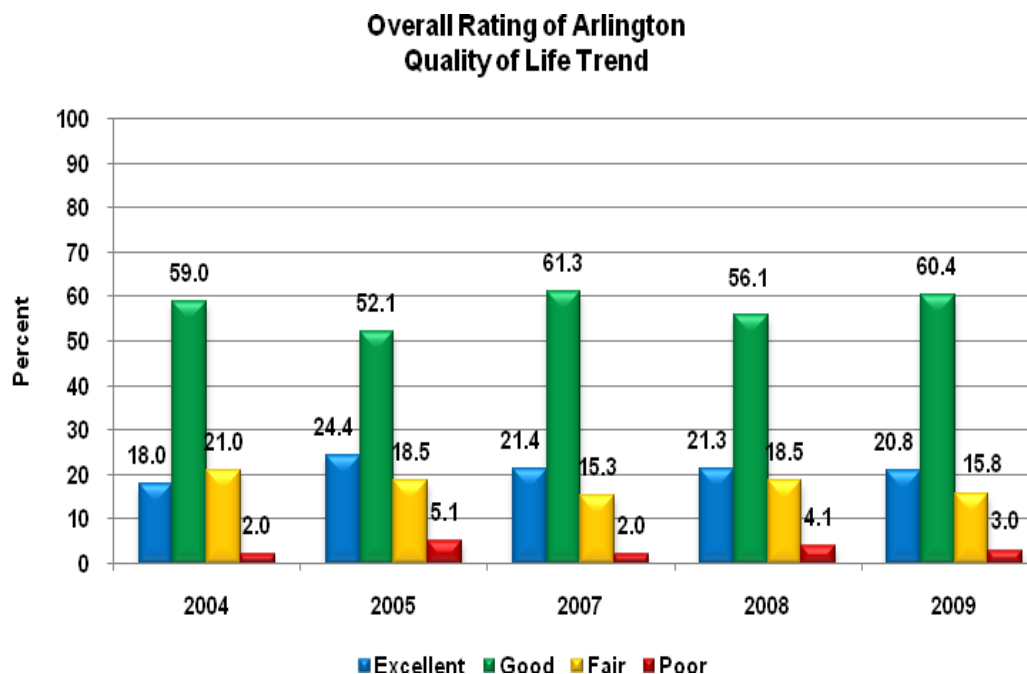
# Citizen Satisfaction Survey Results



# Citizen Satisfaction Survey Results

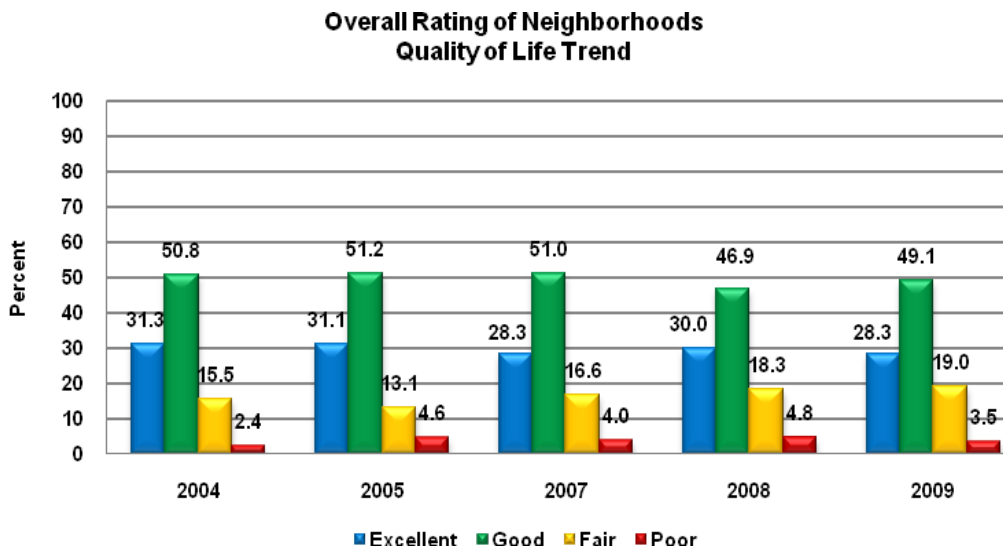
The City of Arlington conducted a Citizen Satisfaction Survey in December 2009. The survey measured citizens' level of satisfaction with services and facilities in the following categories: quality of life, problem identification, satisfaction with City services and facilities, and priority ratings. The survey, conducted by Decision Analyst, Inc, was a random-digit sampling of 400 respondents with quotas set by age, gender, and zip code.

Survey results indicate the majority of citizens are satisfied with the quality of life in Arlington, rating it as 81.2% (excellent + good) in 2010. Comparing the past several years, the quality of life rating continues to remain stable with a slight upward trend.

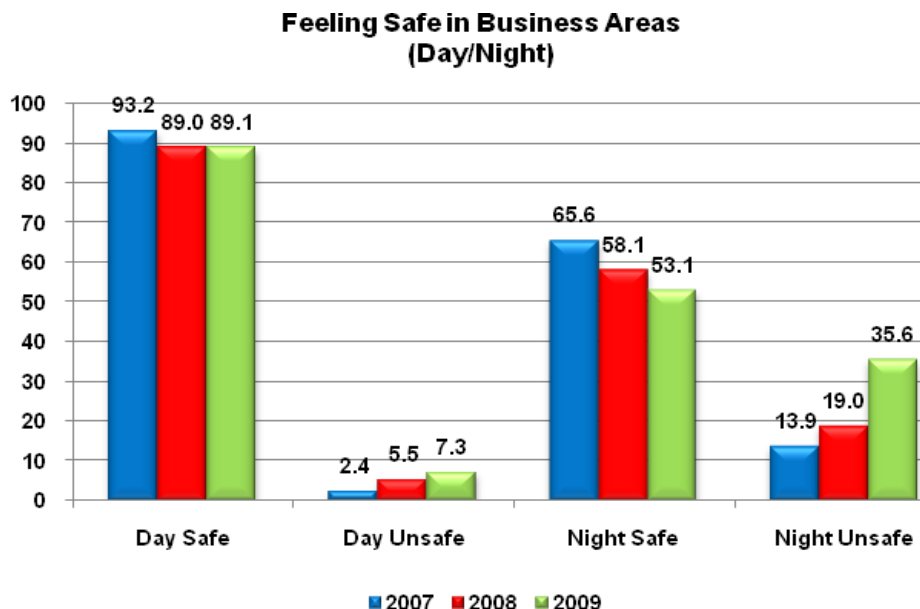


# Citizen Satisfaction Survey Results

While the overall rating for quality of life in Arlington trends slightly upward, the overall rating for neighborhoods at 77.4% (excellent + good) trended slightly downward from previous years. Comparing the past several years, the quality of neighborhood rating indicates a stable trend with the poor rating for neighborhoods at 3.5%, the lowest it's been since 2005, and the fair rating at 19%.



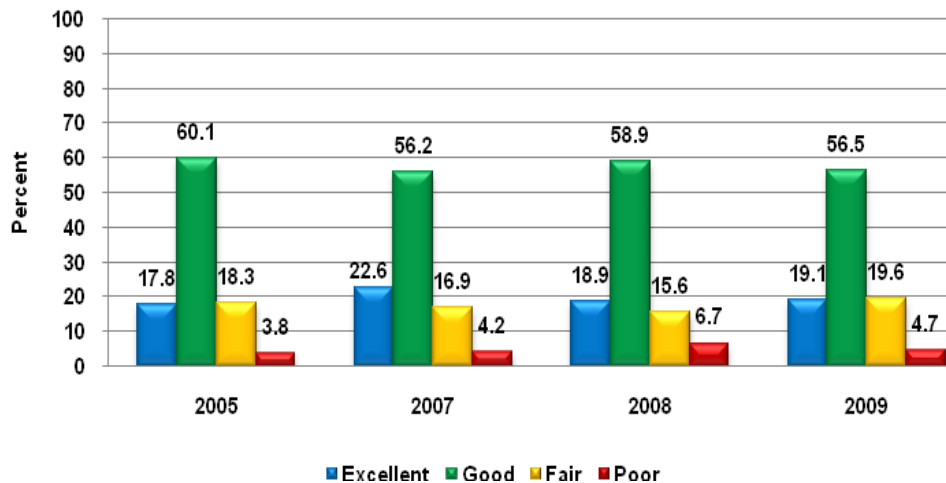
Citizens' perceptions of feeling safe during the day in neighborhoods and business areas is 95.5% and 89.1% respectively – a stable trend across the past couple of years. However, feeling safe at night in these areas continues to trend down, particularly in business areas.



# Citizen Satisfaction Survey Results

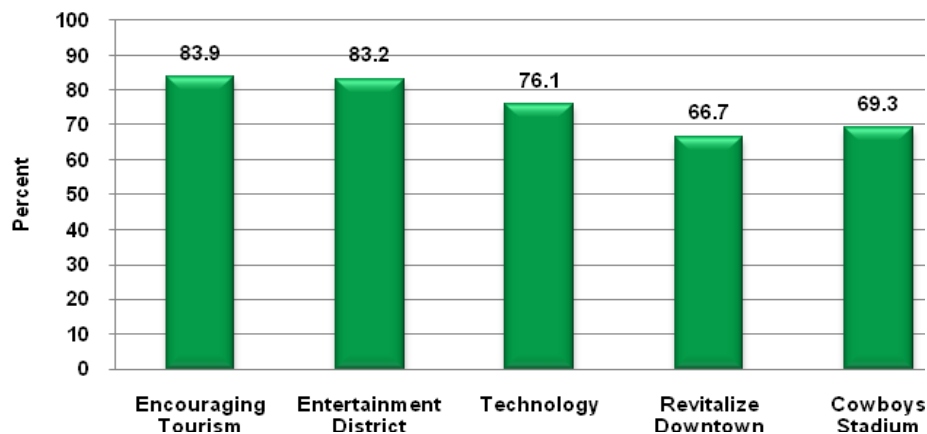
Citizens continue to be satisfied with the customer service they receive at the City responding with an overall rating of 75.6% (excellent + good) in 2010. The overall trend for customer service remains stable. The top five rated services in 2010 are: Fire (95.1%), Garbage Collection (93.1%), Landfill (90.9%), Water Quality/Sewer (89.8%), and Emergency Medical (88%). Handitran and Municipal Court received ratings of 55.8% and 69.7% respectively, a downward trend from previous years.

**Overall Rating of Customer Service**



We asked citizens to rate the City's efforts on specific initiatives: encouraging tourism, the Entertainment District, technology, revitalizing downtown, and the Cowboys Stadium. Overall, the ratings were positive. Encouraging Tourism and the Entertainment District received the highest ratings at 83.9% and 83.2% (excellent + good) respectively.

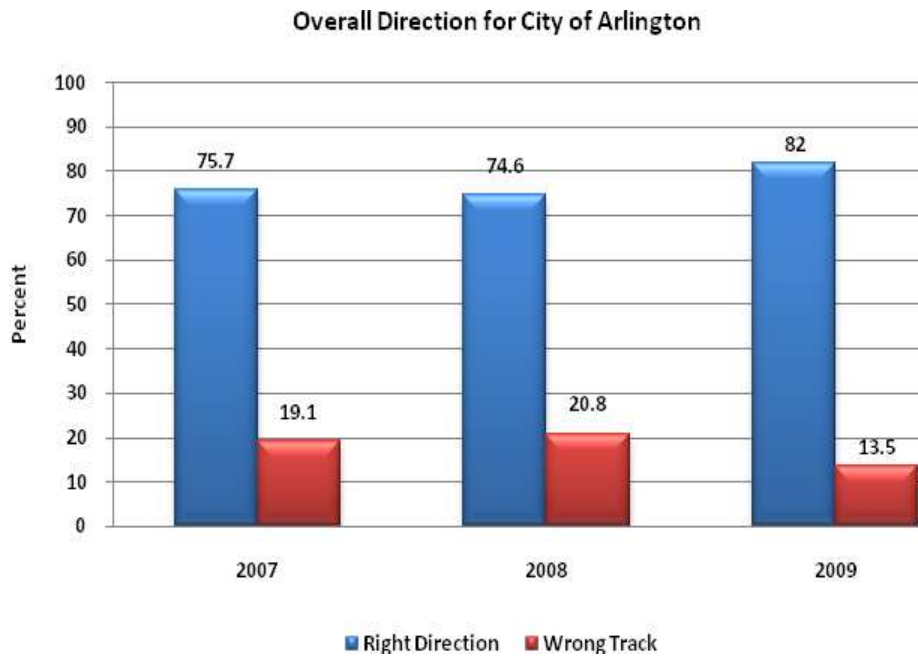
**Rating of City Efforts on Initiatives  
(Excellent + Good; Very + Somewhat Satisfied)**





# Citizen Satisfaction Survey Results

The majority of citizens continue to perceive the City of Arlington as heading in the right direction with a rating of 82%. This rating continues to trend upward indicating satisfaction with the emphasis placed on delivering priority City initiatives and services.



# Community Priority Discussion



# Community Priority Discussion

On March 23<sup>rd</sup>, staff will be bringing the Council the FY 2010 Capital Budget to approve. In May, a full list of Council Priorities, Decision Packages and Budget Balancing Strategies will be provided to begin Council deliberations on their preferences for the FY 2011 Budget. Monthly revenue reports as well as the quarterly Budget Analysis Reports will continue to be available. The FY 2011 Budget will be proposed by the City Manager on August 3, with final adoption scheduled for September 14.